G R. S 59]

GENERAL AND REVENUE SECRETARIAT.

99

1905-06
(Municipal) ✓

File No. 84 of 05

Serial Nos. 3

Papers Filed.

Month November 1905

SUBJECT

Audit of the Bangalore City Municipality & framing of Rules for the proper maintenance of Municipal accounts.

PREVIOUS REFERENCES.	LATER REFERENCES.
	437-38 (1-4)

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1905-06

GENERAL AND REVENUE SECRETARIAT

(Ml.)

NOTES

File. No 86-05

FILE HEADING

Audit of the Bangalore City Municipality framing of rules for the proper maintenance Municipal accounts

From

The Comptroller in Mysore

No 2746/18 Dated 16 11 '05 Received 21. 11 '05

Diary No 4303 | Enclos. 2 Spare Copies | Serial No 3

BRIEF ABSTRACT OF LETTER.

Submits the report of the audit of the City Municipal accounts and a draft of such rules as may be considered necessary for the proper maintenance of Accounts

NOTES AND ORDERS

Before taking action in the matter, it is suggested that the draft rules which have been received in original may be ordered to be printed and 8 Copies obtained for

NOTES—First sheet.

MGOPB—30,000—17 2-05

G.R.S. 12]
General and Revenue Secretariat.

File No 834 of 1905

Serial No

The use of this office draft docket to the Superintendent, Govt. Press, and Subd. When this is printed, a dozen copies may be sent to each of the Presidents of the Bangalore & Mysore City Municipalities for any remarks that the Boards & the Presidents may wish to offer thereon, such is desirable that the Rules should be introduced into both the Towns. Subject to the Government's orders thereon to the 18th Councillors.

22/11/05

771
22.11.1905

2 Put up.

24-11-05.

24.11.05

3 1886 All right

4 (Please see orders on another file bearing No 834 on the same subject) in which the printing is ordered to be held in abeyance.

26.11.05

9822
25.11.05

Note—Contn sheet.

No. 2746 Office of the Comptroller, Mysore Government,

Dated Bangalore, the 16th Nov. 1905.

From

Rai N G Basu Bahadur, M.A.,
Comptroller, Mysore Government

To

B.K. Venkatavarada Iyengar, Esq.,
Secretary to the Government of Mysore,
General & Revenue Department &c.

Sir,

In Government Proceedings No. 728-9/L.B.84-97 of the 28th July 1904, the Comptroller was asked to conduct an examination of the Bangalore City Municipal accounts, and to submit a report with a draft of such rules for adoption as might be considered necessary for the proper maintenance of the accounts.

2. Mr. Eagles deputed Mr. Sreenivasachar, Examiner in charge of the outside audit to conduct the necessary examination, I now submit the auditor's report dated the 6th March 1905 together with a copy of the Draft Rules of Procedure under the title "Bangalore City Municipal Account Manual".

3. I am sorry to report that I am chiefly responsible for the long delay in submitting this report and the draft Rules to Government when the draft Rules with the 99 forms were made over to me for appro-al, I had no idea that they were mostly copied from the Madras Municipal Account Code with necessary alterations to suit the special conditions in Mysore. I therefore held over the case till I finish some other important work in hand like the Review of the Finance of Mysore for ten years.

4. In going through the rules now in detail I find, that the Madras procedure has been closely followed but before finally accepting them, I consider it necessary that the President of the Bangalore Municipality should examine them and furnish Government with any

Special Department.

1905

From

Rai N G Basu Bahadur, M.A.,
Comptroller, Mysore Govt.

To B K Venkatarangaiya Esq.,

Secretary to the Govt. of Mysore,
Rev. & Genl Dept.

Dated

Despatched 20-11-05

Received

No 2746
Spl 18

Subject Matter

submitting as desired
96/3/05 together with a
copy of draft rules of
procedure under the Public
Buildings & Immovable Accounts
Manual -

remarks regarding their suitability. In some cases, it is possible that the procedure may be found too elaborate for Mysore and may therefore involve unnecessary expense in maintaining increased establishments and the President's attention should be specially drawn to this aspect of the case.

5. It will be seen that the Rules proposed are not mere account rules, in the ordinary sense, but they cover the whole ground of the Municipal procedure in regard to all registers and accounts to be maintained under the Municipal Regulations.

6. It will be seen from paragraph 30 of the Draft Rules that they contemplate the supply to the Municipality of printed forms at the expense of Government It is also the practice not to charge the Municipality for the audit establishment in my office or the Local Fund Establishment in the Secretariat I venture to think that this course is not financially sound Apart from the administrative question whether the Government should help the Municipality in the state of its present finances or liabilities, there is the important account question that the practice of doing Municipal work through the Agency of State Establishments and other methods of indirect help, conceal the true measure of financial assistance rendered to the Municipalit bodies, and even if it is decided not to charge the Municipalities f certain specific services rendered by the State, it will be better to show the proper cost of such services in the accounts as "contributi to Municipalities"

7 In my letter to Government No 2605 dated the 14th instant, I have raised the question of the appropriateness and sufficiency of paras 35 and 36 of the Draft Rules in the present circumstances of Mysore, and I have added a proviso at the end of para 35 of Mr nivasachar's draft to provide for the continuance of the existin system of audit If the existing system is continued after the i of the proposed new Regulations, then I think similar proviso be added to clause 170 of the Draft Regulations with also some

in the language of the two subsequent clauses.

8. If the existing system of audit is continued, then chapter X of the draft rules will have to be rewritten in many places, but this I have not done till the views of Government are generally known and the criticisms and remarks of the President of the Bangalore are considered.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

T.G.S.

To

The Comptroller to the

Government of His Highness the Maharaja of Mysore.

Sir,

As directed by the Comptroller in person in November last, I beg to report that I inspected the Registers and forms of accounts maintained in the Office of the President, Bangalore City Municipality, and to submit the following report thereon.

2. The Budget - The form now in use is said to be that prescribed by Government in No. 6702-11 Cov 28 dated 14th January 1887. But this form is somewhat defective. There is no column for Budget figures of previous year, the revised is unnecessarily divided into two columns, one for the actuals of the first half of the year and the other for the probables of the second half, and there is no column for entry of the totals of the revised estimate. The comparison made in the Explanatory Memo attached to the Budget Estimate is between the estimate for the next year with that of the current year, instead of between the estimate for next year and the revised for the current year. No explanation is given for the variations between the Budget and the revised estimate for the current year.

3. In British India two Demand, Collection and Balance statements are required to be sent along with the Budget, one as estimated to stand at the end of the year (current) and the other as estimated to stand at the end of the preceding year (arrears). Also an account of the loans, if any, as estimated to stand at the end of the next year. These are I think necessary, but they are not submitted by this Municipality.

4. The Budget estimate should, I think, be in the form of the State Budget and in accordance with the rules governing the preparation

of the Budget estimates of the State income and expenditure, subject of course to such modifications as the Government may order.

5. Records - Some of the accounts are not in substantially bound books, but are in loose sheets or in loosely bound volumes. They are moreover not paged.

No rules have been framed for the destruction of unnecessary records and the consequence is that no records are destroyed and they are accumulating year after year.

6. Forms - All the forms in use are not printed. Printed forms are, I hear, supplied by the Superintendent of Government Printing free of cost. The forms, - especially bills, licenses, receipts &ca. - are not kept under lock and key. There is no stock Register of forms maintained and there has been no verification of the stock of forms in hand.

7. Transactions with the Treasury. — All sums received are remitted daily to the Bangalore District Treasury, with which the Municipality banks its money. Moneys received after the Treasury is closed are remitted the next day. Payments are made by cheques drawn upon the Treasury by the President. No Treasury Pass Book is maintained and the reason assigned is that the exact balance at credit of the Municipality is not known. This is not understood as the balance at credit at the end of each month is intimated from the Comptroller's office.

8. Securities from employes. — Securities are said to have been taken from all those subordinates who deal with cash, but, with the exception of the collector and one or two others, no one has executed security bonds. Even the bonds executed are not on stamped paper and registered.

9. Immoveable property vested in the Municipality . — No list of such property is maintained in the Municipal Office.

10. Demand Registers. — These Registers are maintained for all taxes, except those levied on animals and carriages, nor fo.

licenses for firewood, cart-stand, Dyers, Mutton and Beef Stalls. There is no separate register maintained for arrear Demand and these is therefore some difficulty in finding out to which year the arrear belongs.

11. The Demand Registers are still written up by the Bill-collectors and the alterations made in the Demand Registers are not initialled by the President. No steps have yet been taken to put a stop to this objectionable practice and the reason assigned for its continuance is that the office is shorthanded and that the services of the bill collectors are therefore utilised for the purpose.

12. Owing to the non-maintenance of an arrear Demand Register, there has been no verification of arrears with the bills and warrant receipts. At present in the Demand, Collection and Balance statements prepared monthly, the figures shown are simply taken for granted, for under the existing system no verification is possible.

13. Demand Registers are not written up and completed till about the end of the year for which they are opened, instead of early in the year. The reason ~~noted~~ urged is that the Jamabandy is generally made in November or December of each year and that the register can only be closed after the Jamabundy is over.

14. Collection of items of fixed Demand. — Here again the objectionable practice of the Bill-collectors themselves preparing the bills still continues. Their preparation should properly be by the clerks of the Municipal office. The unutilised forms at the end of the last bill book are not cancelled, as they are required to be with a view to prevent the forms being used fraudulently. No register is maintained in the office for the bill books issued to the Bill-collectors. Bill Books are not numbered as they should be. There ought to be one serial number for the bills of each kind of tax, but here separate serial numbers are given for each Division for the same kind of tax.

15. All undisposed of bills remain with the bill-collectors themselves; though they are kept in boxes in the Municipal office, yet +

are under their own lock and key. When moneys are brought in by the bill-collectors, the collections are checked with the dues shown in the Demand Registers, but never with the bill books. Moreover the bill books are not examined with a view to see that for all bills wanting the amounts are tendered by the bill-collectors. There is thus little scrutiny over the collections. I am informed that part collections on bills are permitted.

16. The forms of warrants are not in bound books but are in loose sheets. The numbers of the warrants issued are not noted in the Demand Registers and bills concerned for easy reference. No abstract is prepared in the warrant register at the end of the year to fecilitate the preparation of the Demand Collection and Balance statement. The warrants are allowed to be with the distraining officers for an indefinite period. When Irsal patties are received, the warants are not examined with a view to see that all the amounts entered in the warrants concerned have been collected. All warants issued are entered in one register irrespective of the kind of tax for the recovery of which they are issued. Properly speaking, there should be one register for each kind for the recovery of which warants are issued.

17. No regular examination is made with a view to see that there is no undue delay in disposing of the property seized and that the various articles have been duly accounted for.

18. Remission Register. — The register newly prescribed and opened is wanting in columns for entry of owners name and President's orders. When a remission is ordered, the order is noted on the bills but the entry is not signed by the President.

19. Collections of other items of revenue. — In these cases also, the Demand Registers are written out after the Jamabandy i.e., about the middle of the year and not at the commencement. These registers are written up by the bill-collectors. No particular dates have been fixed for the submission to the Municipality of the lists of new vehicles &ca. which have to be taxed during the year. Here again no

arrear demand register is maintained.

20. In the case of licenses for offensive and dangerous trades applications are not made by the parties either before the commencement of the year, or before the place of business is opened during the course of the year. The Shabogues (Bill-collectors) have to find these out and report in the Jamabandy or Survey Register.

21. Market Stall bills are prepared by the Market Sergeant himself who collects also the rent. This is objectionable.

22. Recoveries for services rendered — Recoveries for services rendered by the Municipality are made not in advance, but long after. The consequense is that there are large amounts outstanding and from a long time. There is no personal ledger maintained showing the amount received and spent and the balance, if any, either to the credit or debit of the individual concerned.

23. Contributions due — No Demand Register is maintained for the contributions due to the Municipality. There is thus no watching of the realizations of the amounts due on this account

24. Register of prosecutions . — This Register is not maintained in the Municipal office. One is said to have been made in the Octroi Khoti for Octroi cases.

25. Expenditure. — Separate vouchers are taken for all (Municipal) Public Works payments. In other cases the bills themselves are the vouchers. Payments made to illiterate persons are not attested by witnesses.

26. No register for recurring charges, such as establishments salary grants, &c., are maintained showing the sanctioned scale for such charges, and the subsequent changes, if any, made therein in order that all bills for regular monthly charges may be checked with reference to this register.

27. Officers entrusted with permanent advances do not maintain any contingent register for the contingent charges incurred by them .

28. There is no register maintained for the furniture &ca. in the office.

29. The Public Works Branch does not maintain any regular schedule of rates and keep it corrected year after year.

30. Debit heads. — There is no register to show all the security and other deposits paid to the Municipality in other than cash, such as deposits in Savings Bank, Government Pro-notes, Security provided by Municipal servants in landed property, and the particulars as regards the Nos. of the Pro-notes or of the Savings Bank Accounts and the extent and position of the landed property.

31. There is also no register to show the loans contracted by the Municipality, nor is there a register showing the appropriations of loans to enable the Municipality to see to the regular repayment of the loans or to watch that the funds raised by the loans are appropriated for the purpose for which they were raised

32. Accounts — For collections made in the Municipal office no account book is maintained by the Shroff, but such collections are noted in the Shanbogue' registers and then credited in the Collector's cash book The result of this is that parties who tender money to the Municipal office have to wait till the Shanbogues attend the Municipal office

33 The Shroff's rough cash book shows merely the receipts but not the remittances made to the Treasury. These are shown in a separate remittance register maintained As already reported there is no Treasury Pass Book and consequently no verification of the balance credit of the Municipality.

34. The several account registers maintained are not checked by any one and the accounts prepared, are never examined by any one before their submission

35. There is no register of assets and liabilities maintained This is necessary to show the finircial position of the Muni

and a statement prepared from this register should be submitted every year with Administration Report.

56. General. — Besides the Head Office, there are the Collector's office, the Engineer's office and the Health Office. Each of these considers itself independent and treats the rest, as so many separate offices and wants them to go through all the official formalities whenever any information or reference is required of it The result is that there is much unnecessary labor & correspondence and the work is hampered a good deal.

I beg to remain,

Sir,

Your most obedient servant,

Bangalore,

6th March 1905.

Examiner.